



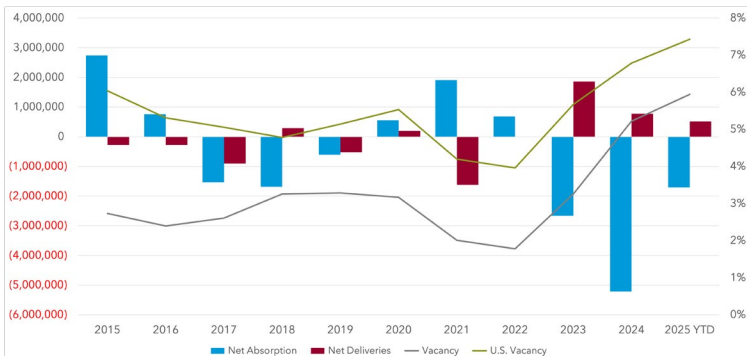
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

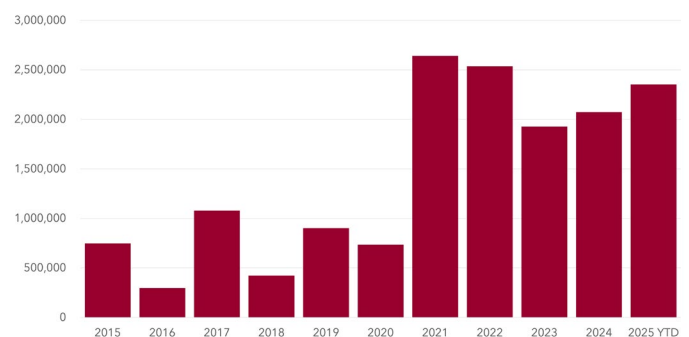
Overall demand for industrial space fell in Q2 for the tenth straight quarter, pushing up the vacancy rate to 6.1% from the 1.8% record low of late 2022. Increased vacancies translate into improved market conditions for tenants with rents falling more than 10% from their recent peak. The reduced demand for industrial space reflects concerns about the impact of tariffs, which were blamed for declines in cargo through Los Angeles' port complex. Year-over-year container traffic in May through the Port of Los Angeles was down 5% and off 8.2% at the Port of Long Beach. Vacancy rate growth is serving to bring the industrial market more into balance. The overall vacancy rate at the end of the first half was 6.1%, the highest since 2012.

MARKET INDICATORS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
▲ Qtrly Net Absorption SF	(373,752)	(726,789)	(1,055,543)	(1,342,018)	(708,857)
▲ Vacancy Rate	5.7%	5.6%	5.2%	4.8%	4.2%
▼ Avg NNN Asking Rate PSF	\$1.53	\$1.54	\$1.59	\$1.60	\$1.64
▼ Sale Price PSF	\$305.00	\$345.00	\$339.00	\$311.00	\$384.00
▲ Cap Rate	5.33%	5.17%	4.29%	5.35%	5.17%
▲ Under Construction SF	2,353,375	2,340,604	2,073,482	1,936,489	2,088,299
▲ Inventory SF	304,500,659	304,384,133	303,985,879	303,843,151	303,359,816

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6600 Valley View Street Buena Park, CA	290,920 SF	\$99,500,000 \$342.02 PSF	Stockbridge Capital Group LLC IDI Logistics	Class C
2929 E Imperial Highway Brea, CA	130,925 SF	\$53,679,500 \$410.00 PSF	Jiaherb AEW Capital Management	Class A
14600 Goldenwest Street Westminster, CA	140,284 SF	\$9,500,000 \$67.72 PSF	Betty Cook David Cates	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1683 Sunflower Avenue Costa Mesa, CA	197,000 SF	Costa Mesa Sunflower LLC	Robinson Pharma, Inc.	Manufacturing
1930-1938 Malvern Street Fullerton, CA	147,950 SF	DWS Group	Bear Down Brands	Transportation & Warehousing
9400 Jeronimo Road Irvine, CA	146,482 SF	The Irvine Company	Bio-Rad	Professiona, Scientific & Technical Services

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